



DEPARTMENT OF ADMINISTRATIVE SERVICES



STATE OF CONNECTICUT

## House Bill 6494

165 Capitol Avenue  
Hartford, CT 06106-1658

### An Act Concerning Claims of the State for Repayment of Aid and Parental Liability

Testimony of Donald DeFronzo  
Commissioner of Administrative Services

Committee on Government Administration & Elections  
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Good afternoon Senator Slossberg, Representative Morin, Senator McLachlan, Representative Hwang and distinguished members of the Government Administration and Elections Committee. For the record, my name is Donald DeFronzo and I am the Commissioner of Administrative Services (DAS).

I am here today to testify in support of House Bill 6494, An Act Concerning Claims of the State for Repayment of Aid and Parental Liability. This is a proposal that DAS asked the Committee to raise, and we thank the Chairs and the Committee for doing so.

DAS is responsible for the enforcement of support obligations of the legally liable relatives of individuals in state humane institutions and individuals who receive public assistance. We proposed this language in order to clarify and provide greater consistency to certain aspects of the collections process. I want to stress that this proposal does not impose any new or additional liabilities on individuals or their families.

#### Clarifies State's Lien Rights

This proposal clarifies and makes consistent the statutes regarding recovery of the costs of state aid and state humane care. Currently, the State has statutory authority (under Conn. Gen. Stat. § 17b-93 and § 17b-95) to file claims against decedent estates, inheritances and proceeds from causes of action to recover 100% of unreimbursed public assistance and the cost of state humane institution care. Conn. Gen. Stat. § 17b-94 explicitly states that with unreimbursed public assistance, the State's claim shall be in the form of a lien against an inheritance or proceeds from a cause of action, limiting the State's recovery to the full amount owed or 50% of the inheritance or proceeds, whichever is less (the 50% Rule). Even though the statutes provide that beneficiaries of state humane institutional care should be treated the same as recipients of public assistance, they do not explicitly provide that the State shall enforce its claim on the recovery of the cost of state humane care in the form of liens. HB 6494 is intended to eliminate any confusion about this matter by revising the applicable statutes (Conn. Gen. Stat. § 17b-224 and Conn. Gen. Stat. § 17b-94) to make

it perfectly clear that the **50% Rule and the lien and assignment provisions apply in both situations** - to those who receive state humane care as well as to those who receive public assistance.

This is important because the **lien and assignment provisions provide a benefit to both the state and to the beneficiary/debtor**. Because of the lack of clarity in the existing statutes, our current vehicle for recovery of the costs associated with state humane care is to file a claim for 100% of unpaid costs. Our legislative change insures that a recipient of state humane care would benefit from the 50% rule, the same as someone who received public assistance. In addition, the State benefits because filing a lien is a more efficient mechanism for collection than a claim and requires fewer resources to enforce.

#### **Clarifies the Limits of Parental Liability**

HB 6494 also addresses inconsistencies in the statutes regarding the State's lien rights in connection with parents of beneficiaries of public assistance. The law is clear that the State has a claim for 100% of unreimbursed assistance against the parents of children receiving benefits. (Conn. Gen. Stat. 17b-93) Currently, however, the **statute governing lien rights includes parents in the sub-section relating to proceeds from a cause of action (Conn. Gen. Stat. §17b-94(a)) but does not specifically include parents in the sub-section relating to inheritance (Conn. Gen. Stat. 17b-94(b))**. This legislative change will bring these two sub-sections into alignment, and thus ensure equity by giving parents in both situations the benefit of the 50% rule. As noted above, the State would also benefit by having a more efficient and effective method of collection. Again, **this proposal does not impose any new or additional liability**.

Finally, HB 6494 also clarifies the state recovery statutes (Conn. Gen. Stat. §17b-93 and § 17b-94) to eliminate any ambiguity regarding the scope of parental liability by specifying that the parental liability is limited to the cost of aid and care received by a parent's **dependent** child or children, as defined in Conn. Gen. Stat. § 17b-75. This new language simply ensures that existing practice regarding parental liability will not be changed as a result of the other changes in this bill.

#### **Increases Revenue**

Clarifying these statutes will result in **increased revenue**. Although difficult to provide precise estimates, DAS anticipates additional revenues of **over \$1 million per fiscal year**. Additionally, fewer resources will be required by the DAS Collections Unit and the Office of the Attorney General to enforce claims and litigate ambiguous statutory provisions.

Thank you for the opportunity to speak to you. I am happy to answer any questions you may have.